Smith-Daniels,Vicki. (2008). Hitting the Benchmark: How To Get The Most From Your Metrics. *Materials Management in Health Care, 17(9) ,*18.

In this article the author discusses the use of benchmarks to measure and improve efficiency in supply-chain activities. We selected this article because the Lawson supply management application is designed to improve efficiency. Understanding the use of benchmarks in this area should provide some context on what functions and capabilities an effective application should include. The author also focuses on the process of starting a benchmarking program. The author breaks down this process into four stages: Setting the Foundation, Gathering Data, Interpreting the Benchmarks and Taking Action.

Critical components for setting a solid foundation are establishing objectives, recruiting the right people, utilizing industry standard definitions and facilitating communication. To establish objectives, she recommends utilizing project management tools to create a project charter to be shared with all stakeholders. Enlisting the right people from multiple departments should include an executive level sponsor and representatives from finance, accounting, IT and quality assurance. Other team members should include physician leaders and vendor representatives. A benchmarking coordinator should be designated. The Healthcare Resource & Materials Management and Healthcare Financial Management Association has developed a standard for benchmarking tools. The author strongly recommends a benchmarking tool that uses this standard. Communication from the sponsor to all department leaders is important in avoiding resistance to data collection activities.

Gathering data can be straightforward for some hospitals or laborious and time consuming for others depending on their readiness and experience with benchmarking. Assessing readiness beforehand is important. A project schedule should be established for completing data collection and weekly updates on progress should be posted. A team meeting to review results and reconsider assumptions can be done prior to releasing the results.

Interpreting the data should include highlighting the relationships between operational and organizational practices and capabilities. The primary goal is to identify the operational, organizational and structural features of top-performing hospitals. Thus benchmarking data should include not only financial data but also on every other factor such as contract compliance, reporting structures and product delivery.

Finally, after a benchmarking initiative, teams should be commissioned to develop business plans on the potential areas for improvement. Such plans should include projected return on investment.

This article helped define some of the outcomes of interest in implementing a supply chain program. In addition it discussed issues in implementation of a benchmarking initiative for supply chain management.

Barlow, Rick D. (2009, July). Basic instincts drive Mountain States’ forward momentum: ‘Hub-and-spoke’ IDN masters supply chain fundamentals with IT creativity. *Healthcare Purchasing News*, p. 8.

This article is a case study from the Mountain States Health Alliance which underwent an expansion in 1988 and as part of that process centralized and improved their supply chain management. Among the many improvements in their processes, they adapted the Lawson MMIS. The case study provides an excellent example of how the MMIS technology fits in with the overall supply management functions. From this case it is possible to understand many of the fundamentals of the technology.

The expansion from one to several hospitals meant that purchasing of supplies was done in multiple locations. They restructured the entire process by developing a centralized corporate materials management office. All contracts and purchasing were done through this central office. Then each hospital had an on- site materials staff that reported to the central office. The advantages of this system were the negotiating and purchasing power afforded to a large single entity. Communication between the central office and the on-site facilities was enhanced with video-conferencing.

The Lawson MMIS added some specific capabilities key to the program’s success. First electronic ordering increased to 80% and Lawson’s fax to electronic integrator brought this up to 90-95%. Lawson’s RSS, Requisition Self service also improved productivity so that while the voliume of orders increased 49%, no additional staff were needed. The RSS system also allows clinicians to view details about products and place orders directly online.

The case study did not answer many of the specifics about the MMIS system by Lawson but did illustrate who some of the users are. For example the clinicians can access the system for ordering. Presumably department heads can do the same. The approval for orders goes through a central office. While no specifics about reports were mentioned, such a centralized system clearly would provide a variety of measures including benchmarks to the top administrators.